



December 2, 2009

House Energy & Technology Committee
124 North Capitol Ave.
Lansing, MI 48909

Dear Committee Members:

I am writing, on behalf of our more than 20,000 business members from across the state, to urge you to support the compromise substitute to House Bill 4257 and report it from the House Committee on Energy and Technology to the full House of Representatives.

HB 4257 will help modernize our telecommunications laws by encouraging investment in new technologies while keeping customers in hard to reach rural areas connected - without imposing new taxes on businesses or consumers.

As proposed, the bill would lower intrastate access rates and create a state restructure mechanism to help compensate small rural companies for revenue they will have lost as a result of reducing rates. The newly created restructure mechanism fund will support those companies using of the same amount of money currently in the system and not creating a new tax on telecom customers. The money currently flowing between companies in the form of access fees will be collected in the restructure fund and then distributed by the Michigan Public Service Commission.

The restructure mechanism will be completely revenue neutral and not a new tax on telecom companies or customers, as some have suggested.

For many years, Michigan has been a leader in implementing progressive telecommunications laws, which have allowed competition to flourish. This has benefitted businesses and residents around the state.

Restructuring access rates, without creating new taxes on our businesses and consumers, preserves our competitive market and continues to foster an environment in which companies can invest more in their networks and rolling out new technologies that will continue to create jobs here in Michigan.

Please support House Bill 4257 to keep Michigan connected – without harming businesses and consumers.

Sincerely,

Brian A. Kandler

Director, Government Relations

Headquarters
One Woodward Avenue
Suite 1900
P.O. Box 33840
Detroit, Michigan 48232-0840
313.964.4000

Lansing
101 S. Washington Sq.
Suite 820
Lansing, Michigan 48933
517.372.2278

Washington, D.C.
1050 Connecticut Ave., N.W.
P.O. Box 65093
Washington, D.C. 20037
202.467.0069